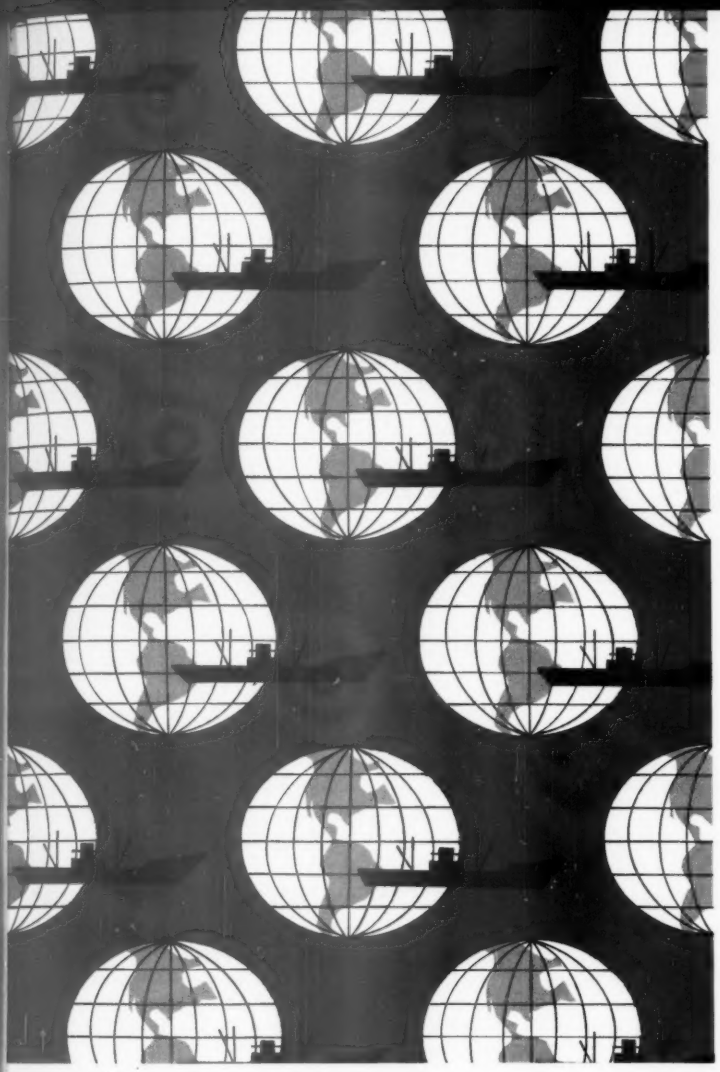

OCTOBER 12, 1964

SUPERMARKET TO THE WORLD

SOUTH AFRICA'S MARKETING BOARDS

HOW TRADE FAIRS HELP BUILD EXPORT MARKETS

THE UNIVERSITY OF MICHIGAN
1964
PERIODICAL READING ROOM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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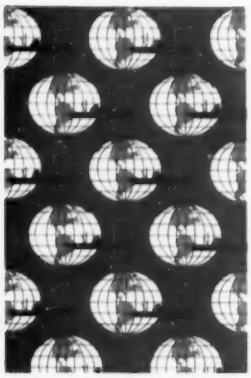

Globe and freighter, symbolic of the international trade in food products Secretary Freeman talks about on the opposite page.

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DEPOSITED BY THE
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Demonstration U.S. supermarket, Tel Aviv.

AMERICAN AGRICULTURE —supermarket to the world

By ORVILLE L. FREEMAN
Secretary of Agriculture

Time magazine has called American agriculture "The supermarket to the world," and for good reason.

The $6.1-billion value of farm exports in the fiscal year 1964 was 20 percent above the previous year's total—and 35 percent above the level of 4 years ago. New records have been set in the export of wheat and flour, corn, soybeans, rice, tallow, nonfat dry milk, hides and skins, butter, variety meats, and dry edible beans. Exports of many other products came close to setting a new record.

This $6.1-billion export volume was made up of $4.5 billion in commercial exports for dollars, plus $1.6 billion in Food for Peace exports, principally through the Public Law 480 program. Practically all the $1-billion gain was in dollar exports.

Effect on our balance of payments

Let's examine for a moment what happens when a pie of this size starts to be cut up.

For one thing, the nation's balance of payments gets a healthy assist. I can remember in 1961 that a great many Americans were hearing more and more about gold outflow, international account deficits, disequilibrium in the balance of payments. What it meant simply was that the rate of gold and dollar loss from the Treasury was running close to $4 billion a year, and that the trend had been running that way since 1950, and increasingly so by the late 1950's.

The new administration had some hard choices to make. Defense expenditures abroad could be curtailed, economic development obligations could be reduced, or American capital for investment abroad could be limited. None of these were especially appealing, but any one could do the job for our balance of payments situation.

Another choice was to expand exports and counter the outflow of dollars with greater inflow. This was the course that was selected, and the Departments of Commerce and Agriculture were chosen to spearhead the drive. The results—some $25 billion in total exports—speak for themselves. We had a favorable balance of trade last year of nearly $6 billion, and agriculture accounted for about 40 percent of it.

If the current patterns hold, and we believe they will, the gold and dollar deficit this year will be the smallest in 6 years—and there are good prospects, through trade expansion, of being able eventually to bring our balance of payments into equilibrium.

Effect on our economic strength

Another, and more direct, example of the benefits from a high volume of farm exports can be seen in the Chicago area. The balance sheet on farm trade of the five states—Illinois, Michigan, Indiana, Wisconsin and Iowa—that are the heart of Chicago's economic strength is revealing.

In fiscal 1964, these five states supplied more than one-fifth of the farm products our country exported. Their approximate share of the $6.1-billion total was $1.3 billion. Farm imports, for the same period, totaled about $470 million worth of competitive products, leaving a favorable balance of farm exports over competitive imports of some $830 million—or a ratio of nearly 3 to 1.

And, frankly, I would say that when you can achieve a ratio of 3 to 1 in your favor, you are about as close as you will come to having your cake and eating it too.

Trade successes in agriculture today are of vital importance to American farmers, as these figures indicate. But they are equally important to American businessmen. Every dollar that agriculture earns in export, and every

Excerpts from Secretary's address, luncheon of the Export Advisory Committee to the Governor of Illinois, Chicago, Ill., Sept. 25, 1964.

dollar that we spend for farm imports, is a stimulant of commerce. Export dollars buy machinery and fertilizer; pay wages and interest, storage and transportation; and buy packaging and processing. And every time we add more volume to the flow of trade, new jobs are created, Chicago grows stronger, the economy of the State is improved, and America also grows in strength.

The export chain that moves this mountain of food and fiber from the United States to millions of customers overseas has many complex links. When we take the leadership activity displayed here, multiply it by the work of similar leadership groups across the nation, add to it the intensified export operations of thousands of business and agricultural groups, and add further the strong interest and support given by the national government—we find in sum total the reasons why the United States has been able to emerge as trade leader of the world.

How we promote exports

Some dimension of this total effort can be seen in the market development work carried on through the USDA. We now have an active export promotion partnership with 44 separate agricultural producer and trade organizations, reaching into 67 countries.

Some of our export promotion partners are located in Chicago: the American Dry Milk Institute and the National Renderers Association, both on North LaSalle Street, are among them. There's the American Meat Institute on East Van Buren Street and the National Livestock and Meat Board on South Wabash Avenue. Also there's the Institute of American Poultry Industries on East Madison Street. Others are headquartered within Chicago's commercial territory, including the Soybean Council in Waterloo, Iowa, and the American Soybean Association in Hudson, Iowa.

These and organizations like them have become action points to stimulate the exports of every major American farm commodity.

Because of this dedicated effort, world trade in agricultural products, despite the many restrictions that still remain, moves more freely today than it did 5 years ago, 10 years ago, or 25 years ago. Were it not for this healthy development, today's record agricultural exports could not have been achieved.

Helping our farm exports more freely

Agriculture, as we are all aware, tends to be one of the more heavily protected industries around the world. Historically, there are many reasons for this. But I am of the firm conviction that protectionism as a way of life for agriculture is not to the ultimate advantage of nations or their farmers.

I realize, of course, that the protection which has been built up around farming worldwide cannot be completely reversed overnight. But achievements to date convince me that a vigorous effort to seek even more liberal trade conditions in agriculture than we have obtained so far will have a worthwhile effect throughout the world. Now with the Kennedy Round in Geneva, worldwide negotiations on trade are underway through GATT, and agriculture has both a great responsibility and a great opportunity.

The fact that liberal trade helps agriculture and the farmer has been demonstrated, I think, by the U.S. example. We are not free traders, but we are liberal traders. The United States is less protectionist in its agricultural trading policies than any other major trading nation, and the results show that this policy has been of major benefit both to the American farmer and to the American economy as a whole.

We maintain a minimum number of nontariff trade barriers. Our import duties on agricultural products in most cases are low. We have made a consistent effort to encourage all nations engaging in world trade to lower their trade barriers, on a reciprocal basis, because we think the resulting expansion of world trade is essential to our own economic well-being and to theirs. This has been our national policy since enactment of the Trade Agreement Act of 1934.

As a result of our liberal trade policies it is true that we import certain competitive agricultural products in which, if our nation followed a highly protectionist policy, we could become virtually self-sufficient. We have not chosen to do so—and American industry profits by that decision through the fact that foreign countries that sell in our agricultural market earn dollars with which to buy American industrial products.

U.S. agriculture a partner of industry

This strong link between American agriculture and American industry underlies our entire trade operation. It underlies this Administration's insistence in GATT, for example, on a united approach to industrial and agriculture negotiations, because we believe that separate negotiations would be unnatural and mutually harmful. It is emphasized by the words of the President's Special Representative for Trade Negotiations, Governor Christian Herter: "The United States will enter into no ultimate agreement until signicant progress is registered toward trade liberalization in agriculture as well as industrial products."

What I have described here, for the most part, has been the dollar side of farm exports—and some of the essential problems of maintaining access to the commerical markets in the world.

Our commercial successes emphasize that the market for the U.S. farmer is bigger than 190 million Americans. In fact, if anything, the lesson of the early 1960's is that we have passed the day when the American farmer produces mainly for the American housewife. And the day is past when agriculture could afford the luxury of protectionism.

There is a saying that the British are fond of using that goes something like this: England must export or die. Well, the family farm today must export, or it too could die.

Where our future markets lie

This is why I have devoted so much time to enlarging the opportunities for trade in agriculture. And I have come to the conclusion, that given the tremendous productivity of the American family farm, even the rapid strides in expanding the current commercial world markets will not enable us to find outlets for all that can be produced.

If we are to find the markets to equal the enormous capabilities of the American family farm, then our thinking and our planning must be as big and as dynamic as the revolution of abundance that is sweeping through agriculture today; we must reach beyond the markets of today and develop vast new markets for tomorrow.

We must begin with the view that the market for

American agriculture is not limited to 190 million Americans and to the some 500 million additional people who live in the relatively more prosperous Free World nations. The market for the 20th-century farmer must grow to include particularly the 2 billion people who live in the Free World—many of whom are hungry when night falls.

In other words, our markets will be where the people are.

Most of the developing countries cannot be considered cash customers today. But they are the only potentially adequate market we can look to for the future. It is then clearly in our own best interests, in the best interests of peace and freedom around the world, and in the best humanitarian tradition to assist these people to raise the level of their incomes so they can be cash customers.

I am well aware that many responsible and thoughtful people feel that assistance—such as that provided through parts of the Food for Peace program and more generally through economic assistance programs—to develop the agricultural economies of the emerging nations does not serve our own national interests. These activities, it is felt, only create competition for markets we hold now.

But careful analysis by the Department of Agriculture and experts outside the USDA, rather than verifying this concern, documents the fact that economic assistance—including agricultural assistance—builds rather than loses markets for American food and fiber.

This is a new challenge of vast dimensions for this nation, and the demands upon and the opportunities for American agriculture in years and decades ahead which it suggests stagger the imagination.

Case in point—Japan

After the Second World War, for example, the United States extended food aid and technical and financial assistance to Japan. As a result, Japan not only rebuilt its industry and greatly improved its agriculture—farm output rose 3.7 percent a year—but also rose to become the No. 1 cash customer for American food and fiber. Last year Japan purchased $651 million worth of farm products in this country, or an average of $4.70 for each Japanese citizen.

I think the meaning is clear. Without economic assistance, including agricultural assistance, there will not be substantial economic progress in the developing nations. Agricultural assistance is particularly needed, since the economies of these nations depend primarily on agriculture.

Cities cannot become strong where farmers are weak, and this is an economic truth which applies both here and everywhere around the world. A strong agriculture requires the support of a substantial industry to supply machinery, fertilizer, fuel, and many other manufactured components; it provides working capital for industrial growth; and it helps supply the food needs of the wage earner.

How aid does build trade

Thus, no nation can hope to achieve massive economic development without first making substantial gains in its own agricultural productivity. Imports of farm products from other countries, such as those we supply through the Food for Peace program, can meet a part of the rapidly growing needs and contribute signicantly to economic development. But most of the rising requirements must be met by expanding domestic farm output.

It would be a mistake to assume that this activity would mean smaller markets for our products. Increased incomes in these countries would have a large effect on their imports. We find, for example, that we export about $1 worth of farm products for each $100 of income in both the developed and the developing nations. If the developing nations were able to increase their incomes by $100 per person, it would double the value of farm products we now export to them.

Bigger markets, better living for all

The picture of what can be achieved in agricultural exports is clear to all of those who will look.

There will be bigger markets for our farmers. We have the land, the skills, the technology, and the manpower to produce much more for world markets than we are doing.

There will be more activity for our businessmen. We have the capacity to finance, process, merchandise, and transport all the foreign market can accept.

And there will be better living for all—including those billions of people throughout the world whose standards of living are improving and whose vision of a better world is enough food to eat and adequate clothing to wear.

Throughout the ages men have dreamed of a better world. We are living in a fortunate age, for already we have achieved a better world than has ever existed before. But we know how to make it even better—and I am one of those optimists who is confident we shall do so.

British Plan New Grain Marketing Program

The U.K. Ministry of Agriculture has proposed a new marketing program for home-grown cereals, to go into effect July 1, 1965, if approved by Parliament. This proposal is the third step in the plan first put forward in May 1963, to give greater stability to the cereal market. The first two steps—standard quantities for domestic wheat and barley and minimum import prices for overseas supplies—came into operation in the present season.

The new plan calls for setting up an organization consisting of all interested parties under an independent chairman. The purpose of this organization would be to ensure an even flow of grain marketings throughout the year with the object of preventing abnormally heavy arrivals and low prices, particularly just after harvest.

The organization is designed to work in three main channels. First, it will encourage farmers, through bonus payments, to contract forward with merchants to market agreed quantities of grain each month according to the requirements of users. The money for paying the bonuses will be taken from deficiency payment funds, so that the consumer will not need to pay extra for this steadier marketing.

Second, the organization will provide market intelligence services and undertake research into technical and marketing problems.

The third line of work is more controversial. The intent is to vest the organization with reserve trading powers to undertake forward contracts direct with growers if enough of them do not make arrangements with merchants. These powers will also enable it to buy cereals on the open market so as to bring market prices as close as possible to target indicator levels. Financing would come from a levy on cereal growers.

—Turner L. Oyloe

Assistant U.S. Agricultural Attaché, London

Japan Again Becomes a Major Importer of U.S. Rice

By JIMMY D. MINYARD
Assistant U.S. Agricultural Attaché, Tokyo

A rise in domestic demand for rice in Japan has catapulted that country back into the role of a leading Asian importer of rice. It has also resulted in Japan's making the first sizable purchase of U.S. rice since 1955.

Through July 1964, Japan had imported 365,000 metric tons of rice (milled basis) and indications are that the total will be increased before the year's end to nearly 400,000 tons. Whatever the final tally, it will, be Japan's largest rice import since 1958 as well as a continuation of the upward trend in imports begun after the 1961 low of 124,800 tons.

Second largest source of supply this year has been the United States, accounting for 105,000 metric tons (brown rice basis) of short grain rice. It is exceeded only by Thailand, with 110,000, and is followed by Taiwan, with 75,000. Last year the United States shipped no rice to Japan while Thailand and Taiwan dominated trade, supplying 93,000 and 83,000 metric tons respectively.

JAPANESE IMPORTS OF MILLED RICE

Country of origin	Average 1951-55	Average 1956-60	1961 [1]	1962 [1]	1963 [1]	1964 [2]
	1,000 m.t.	*1,000 m.t.*	*1,000 m.t.*	*1,000 m.t.*	*1,000 m.t.*	*1,000 m.t.*
Burma	209.9	101.5	6.2	21.3	28.3	35.6
Cambodia	([3])	2.1	0	0	5.0	5.0
Communist China	43.0	39.8	0	0	0	0
Egypt	36.9	18.7	0	0	0	0
Italy	55.5	12.7	0	0	0	0
Korea	0	4.2	[4]7.8	[4]41.4	0	0
Spain	32.4	23.5	0	0	0	28.5
South Vietnam	16.8	3.4	7.3	0	9.9	5.0
Taiwan	82.8	115.9	70.0	51.3	84.9	75.0
Thailand	355.5	82.9	33.5	62.8	81.1	110.0
United States	216.5	4.1	0	0	0	[4]105.0
Other countries	56.6	4.0	0	0	0	0
Total	1,105.9	412.8	124.8	176.8	209.2	364.1

[1] Preliminary. [2] Revised purchase commitments. [3] If any, included with South Vietnam. [4] Brown rice basis.
Compiled from official and trade sources.

This change has put Japan in a position very similar to that of the 1950's when it was the world's largest importer of rice. During the 1953-56 period, Japanese imports of rice were averaging over 1 million metric tons yearly, and the United States was supplying a large portion of this rice under government programs.

Japan in the following years made striking gains in its domestic rice production, with the result that between 1958 and 1961 its rice imports dropped sharply, those from the United States falling to virtually nothing. During that period, Japan imported mainly from developing countries in Asia—Thailand, Taiwan, and Burma—among other reasons to maintain favorable trade relationships with these major markets for Japanese industrial goods.

After reaching a low point in 1961, however, Japanese rice imports took a swing upward and have increased every year since.

These advances came even though domestic production went on to set a record in 1962 and a near-record in 1963. The end to this outstanding performance is not yet in sight, with the 1964 output currently estimated at a new high of around 16.6 million metric tons of rough rice (12.1 million milled).

In encouraging domestic production, however, Japan has run into some unusual problems. One is the growing deficit position of the government's Food Control Account, arising from the support of domestically grwn rice at levels above both domestic retail and world trade prices.

Japanese trade in rice, both domestic and foreign, is controlled by the Japanese Food Agency. On the domestic front, the Agency purchases rice from farmers at prices determined by a parity index and other economic considerations. All of these have risen rapidly in recent years, pulling with them the prices paid to rice growers. The latest price for 1964 is 14 percent above the 1963 level.

Retail rice prices, which have been kept below the support levels, have not been increased at the rapid pace of the support prices. Thus, rice has been a big contributor to the Food Control Account's running $514,000 behind during this year, as against only $178,000 in 1961. It has been predicted that the government will soon take steps to alleviate this situation, by raising the retail price as much as 20 percent, but this action is expected to receive widespread opposition.

In the meantime, the Agency is buying imported rice at prices well below domestic rice, putting Japan in the position of having its Food Control Account deficit—caused largely by the high support prices on domestic rice—being partly balanced by profits made from sales of imported rice.

What has kept Japan's imports rising is the country's increasing demand for rice. Total domestic consumption of rice has grown from around 11.1 million metric tons of milled rice in 1958 to 12.3 million in 1963.

This gain has been partly the result of the country's population growth, and partly a reflection of the fast-paced economic expansion of the country. With consumer incomes on the rise, both industrial and per capita food use has grown. The growth in the latter is illustrated in the following:

	Per capita consumption	Total population	Total consumption [1]
	Pounds	*Thous.*	*1,000 m.t.*
1957	255	90,920	10,529
1958	249	91,760	10,350
1959	249	92,640	10,448
1960	252	93,420	10,678
1961	257	94,280	10,984
1962	258	95,180	11,155
1963	([2])	96,160	11,270

[1] Food use only. [2] Using same rate per capita as for 1962. Based on Japanese Government data.

Looking to the future, it appears that Japanese expansion in rice acreage will taper off. Acreage has been increased to about the maximum level feasible and any gain in output will have to come from higher yields. Consumption may or may not continue to rise. If per capita consumption remained at the 1962 level of 258 pounds per year, the rapid increase in the country's population would keep total consumption rising. On the other hand, this could be offset by the consumer's shift from the grains to high-protein foods as their purchasing power increases. The course future imports take will likely be determined by which of these trends predominates.

How South Africa Markets Its Agricultural Products

By WILLIAM J. EDENS
Former U.S. Agricultural Attaché, Pretoria

The Republic of South Africa—a leading agricultural economy in Africa as well as that continent's most industrialized nation—has a strong marketing system for its farm products.

Mainstay of this system are 19 marketing control boards, responsible for assembling and distributing that number of farm commodities. These boards play an important part in the Republic's agricultural industry through helping to stabilize prices, maintaining a minimum price spread between the farm and consumer, and providing more effective competition in foreign markets. In conjunction with the cooperative organizations, they market about two-thirds of the total annual value of South Africa's farm products, including most of the large exports except canned fruit and wine.

Establishment of the marketing control boards was brought about by the extremely low prices of the early 1930's and the failure of special regulatory legislation raising prices on certain agricultural items to boost farm income as a whole. This resulted in an increasing awareness that a measure of permanent state intervention in the marketing of farm products was needed.

In 1937, the Marketing Act came into effect. The Act, often referred to by farmers as their "Magna Charta," is an enabling law, providing for the introduction of planned programs, or schemes, for regulating the marketing of farm products. (Separate legislation covers sugar and wool.)

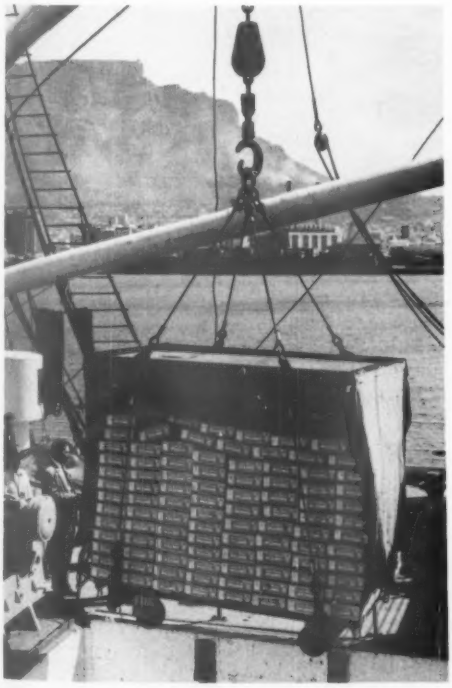
For each scheme, there is a control board, whose powers are stipulated in the Act. The Act subjects the application of schemes largely to the supervision and veto power of the Minister of Agricultural Economics and Marketing. The Minister, in turn, is advised by the National Marketing Council.

How control boards function

The more important powers with which a control board may be entrusted are as follows:

- Prohibiting sales of a product, except to or through the board. In this way, a control board can come into possession of the entire supply, or as much as is deemed necessary and market it in an organized manner.
- Regulating prices, including prices to consumers, and setting import controls on wheat, sugar, and other commodities.
- Applying restrictive registration of business concerns dealing with the product in the course of trade, or industries which process the product. By virtue of this power, it

The foreign marketing of plums (below) and other fruit is a prime function of South Africa's fruit marketing board. Top right, inspection of tobacco, and bottom right, storage of mealies (corn).



is possible to limit surplus capacity in these enterprises with a view to economizing costs.

- Control of export marketing of several commodities.
- Imposing levies on a product and utilizing the funds for the benefit of the industry concerned. This permits the accumulation of reserve funds for the stabilization of prices and the carrying out of the various activities of the board.

Schemes vary according to industry

There are several different types of schemes, owing to variances in the size of the industries concerned, the relative importance of the local or overseas markets, and the marketing pattern.

Some boards, such as those for citrus and deciduous fruits and wool, are concerned mainly with exports, while others—including those for wheat, oilseeds, dairy products, eggs, livestock, and meat—are mainly for home marketing.

Boards also differ from one another in their powers. Some have full control of the marketing of their commodities while others have merely regulatory powers.

The boards finance their expense, including losses on exports of surpluses, from the levies collected on their respective products. Consequently, they are financially independent, except in the case of maize, butter, and wheat. These products the government subsidizes to keep consumer prices on them as low as possible. When export prices are lower than internal prices, the loss sustained comes out of the levy reserve fund.

The essence of the majority of the marketing schemes is the regulated marketing of the entire supply, or a large quantity, through one channel, namely the board. This creates more systematic disposal and thus makes the best use of the available demand.

For those products sold locally, the boards as a rule set fixed prices, thus avoiding the short-term fluctuations which occur under free marketing conditions.

When determining prices, the control boards take production and consumption into account, as well as producer costs. The larger the surpluses for export, the greater will be the influence of world prices on fixed prices to farm producers, which are maximum under the circumstances, since the boards are not profit-seeking institutions.

During the past two decades, the Marketing Act has functioned in a period of rising economic trend. General opinion is that it has served the country well. Farmers are in the majority on the various control boards, and they have shouldered their responsibilities in attempting to have the Marketing Act serve both producers and consumers.

Bad Weather Slows Rate of South Africa's Agricultural Advance

The weather of South Africa's 1963-64 crop year, with a severe drought in the Transvaal during the summer (November-February) and the worst winter in some 100 years (April-July), was decidedly below normal.

The bad weather particularly affected the summer crops, sharply reducing producing of some important items like corn and oilseeds. These losses could, however, be wholly or partly offset by increases for other export crops, especially fruit, preventing a decline in total earnings from agricultural exports.

In the gross value of South Africa's agricultural production, 1963-64 marks a rise of around 3 percent instead of the 4 percent that has been the trend.

South Africa's exports of whole corn in 1964-65, as a result of the below-normal 1963-64 crop, will be off from last year's, perhaps by around 50 percent. These exports are expected to be predominantly yellow corn for animal feed, mostly to Italy and Japan. Corn of the white types, which are ordinarily shipped to the United Kingdom and to Western Europe, will be nearly all reserved for home consumption.

The peanut crop is down by 26 percent and the sunflower crop by 12 percent. Most sunflowerseed is used for local needs; surplus quantities of peanuts and oil are ordinarily exported. But peanut exports in 1964-65 will reflect the severe reduction in the 1963-64 crop.

South Africa's wool exports are expected to go on benefiting from strong world demand and higher world prices. Even though the 1963-64 season saw a drop in production compared with previous record years, earnings have been higher. Preliminary outlook for the new season (which began Sept. 1) is that the wool clip may drop 2.6 percent more, since sheep losses from drought and cold have been slightly above normal.

Production of sugar, which has been on the continual rise for the past few years, was held down by the cold weather, and only a slight increase is likely to be registered this year. In 1963-64 (final figure, Apr. 1), consumption in the Republic and its adjoining territories was about 798,000 short tons; exports overseas were 596,000. Beginning January 1, 1965, Swaziland's sugar exports of around 100,000 tons, which have been shipped through South Africa heretofore, will be shipped separately over the new Swaziland railway; Swaziland is scheduled to join the Commonwealth Sugar Agreement.

In the third quarter of 1964, it was announced that the United Kingdom-South Africa sugar agreement, which began in 1962 and was scheduled to run for 5 years, would be terminated December 31, 1964. Quantities and prices of South Africa's sales to the United Kingdom will henceforth depend on world prices and demand.

Fruit production did not suffer from the 1963-64 weather. On the contrary, deciduous fruits benefited from the long cold spell, and bumper crops are expected. In fact, production of all fruit is up. Exports of fresh and canned fruits are expected to rise in 1964-65.

In dairy products, South Africa is normally self-sufficient with occasional exports. But during the 1963-64 marketing season it had to import butter—about 13.5 million pounds, 11 million from the United States. Estimated import needs for 1964-65 are put at 12.5 million; and should rains not bring a recovery of grazing during the summer (November-February), these needs will increase.

The cotton crop for 1964 is down from 1963's record 54,000 bales (500 lb. each) to 45,000. This fact, plus the considerable expansion in the textile industry, is pushing import needs higher—from 96,000 bales in 1963 to 100,000 this year. The U.S. share of the South African market was down to about 25 percent in 1963 (from 75 percent in 1960); Brazil took over as top supplier.

Overseas Trade Fairs Called "Great Opportunity" For U.S. Food Firms To Build Export Markets

Paul S. Willis, *President of Grocery Manufacturers of America, Inc., reports on results of recent U.S. processed food shows at the U.S. Trade Center at Frankfurt, and the International Trade Fair in Vienna. He analyzes role of trade fairs in opening and developing U.S. export markets, and the most effective way to participate.*

Grocery Manufacturers of America has cooperated with USDA in international fairs in a large way each year beginning with 1959. This has included fairs in such cities as Cologne, London, Munich, Paris, Hamburg, Manchester, Brussels, Amsterdam, Frankfurt, and Vienna.

Our function has been to inform the GMA members and others about these fairs, to assist USDA in obtaining manufacturers' participation and the supplying of their products—and also to enlist the cooperation of GMA members in providing people to take an active part in each fair.

The companies that have provided personnel over these years include Corn Products Co.; National Biscuit Co.; W. F. Straub & Co.; H. J. Heinz Co.; Campbell Soup Co.; Illinois Canning Corp.; General Mills, Inc.; The Borden Co.; American Home Foods; Libby, McNeill & Libby; United Biscuit Co.; and Bon Vivant Soups, Inc. The personnel sent included management and marketing people, as well as home economists.

These fairs offer great opportunities for manufacturers to introduce their products in European countries, and develop markets for those products which consumers will buy, where the import duties and other governmental controls are not too restrictive. The fairs provide the opportunity to find out about these things, especially consumer reactions.

Our government has been experimenting to find out the kind of fair that is most productive. In some fairs, merchandise has been displayed, in others certain products have also been demonstrated. Some fairs have been open to the public, some fairs have been trade shows attended by the trade, and in some shows merchandise has been sold.

In my opinion, the fair held in Amsterdam last November served the best purpose. In the center of the room, space was allotted for the "GMA Kitchens" where nine Dutch girls baked and cooked many dishes made from American products and gave samples to large crowds of people. Surrounding the GMA Kitchens was an improvised supermarket where consumers could buy the merchandise. They would sample the products at the GMA Kitchens and purchase them off the shelves. The visitors bought over $65,000 worth of American goods. Our recommendation to the USDA is that, wherever possible, they use this Amsterdam pattern for the shows to be held in the future.

Similarity among consumers

People in European countries are pretty much like Americans. The housewives have the same desire to reduce their kitchen chores and are interested in convenience foods.

Economic conditions in the free European countries are excellent. West Germany has imported over 100,000 people to fill jobs, and right now there are more jobs than there are workers. While employment is high, incomes are also rising, and people are eating better. More married women have full-time jobs, and want products that will reduce their time in the kitchen.

The number of self-service stores in West Germany, for instance, has increased from 3,000 in 1957 to nearly 47,000 today. It is expected that many more self-service markets will be opening during 1964. Germany imports about one-quarter of its total food requirements of which 14 percent currently comes from the United States.

Something to remember is that while conventions and other affairs excite relatively little attention in this country, with manufacturers displaying mainly the same products distributors see on their shelves every day—in Europe there is great interest because in most instances, U.S. products are new. Even if they are already in distribution, they will still attract consumer and trade interest at the fairs.

Interest in U.S. products

At the huge Vienna International Fair, there were nearly 4,000 exhibits, yet the U.S. food exhibit consistently drew the largest crowd. This again reflected the great interest Europeans have in American products.

However, intelligent merchandising is important. What do you think would be the reaction of the American consumer were she to look at a package in this country whose label was in French or German? The reaction is the same in countries where people cannot read English. Manufacturers who are really interested in developing business in non-English speaking countries will do well to use labels in the native tongue. Moreover, exhibitors at fairs should provide information about where their products are available, and who are their agents.

And—as several distributors pointed out—since there is no shortage of food in their countries, the introduction of new items must be supported by promotions that will develop consumer knowledge and desire for the product just as in this country.

One organization, operating 62 department stores in Germany with large food sections, plans to have a week's promotion in March of American products. In talking with the top man of this organization, he said that manufacturers would do well to provide demonstrations during that week along with advertising and other promotional efforts to sell the goods.

U.S. Foods To Be Promoted at 4 Big European Trade Fairs in 1965, London's Ideal Home First

Secretary of Agriculture Orville L. Freeman has announced that U.S. food promotion exhibits will be presented at four major international trade fairs in Western Europe in 1965.

The 1965 exhibit schedule will open with a display of products in the "Americana '65" exhibit at London's Ideal Home Show, March 1-31. It will be the first time USDA has participated in this event, which is regarded as the largest trade and consumer show in the world.

Other major USDA exhibits during the year will be in Madrid, Spain (Feria del Campo, May 21-June 21); Cologne, Germany (ANUGA International Fair, September 25-October 3); and Brussels, Belgium (Salon Internationale de l'Alimentation, in November).

"Our 1965 export promotion program in Europe," Secretary Freeman said, "is designed to help maintain the impetus that enabled us to reach a new high in agricultural exports during the past fiscal year.

"Western Europe is enjoying record prosperity. Consumer incomes are growing, and the people have both the means and the wish to eat better than they ever have before. The business potential is there. It is up to the United States to go after it, and that is what we are doing through these food exhibits and the other promotional activities that are carried out in the joint government-industry market development program."

U.S. products tentatively scheduled for display, demonstration, and sale at the Ideal Home Show in London are meat and meat products, soybeans, poultry, rice, honey, cranberries, and dry beans. Each will occupy a special booth in the 4,000-square-foot area set aside for U.S. agricultural product promotion. The entire "Americana '65" exhibit will cover more than 20,000 square feet and will feature a wide range of building materials and home appliances, in addition to the numerous food items.

Held annually at the 14-acre Olympia Hall in London, the Ideal Home Show last year drew more than one million consumers, jobbers, and distributors. More than $5 million worth of merchandise was sold during the 4-week event, deposits were placed on another $12 million worth, and buyers indicated intentions to buy another $120 million worth of products.

Belgians Promote U.S. Foods

As a result of contacts made at the recent U.S. foods exhibit at the U.S. Trade Center in Frankfurt, one of Belgium's top department store chains plans to feature American foods in its food departments and cafeterias.

Bon Marche, which has eight stores in leading Belgian cities, will also promote other U.S. commodities. Products which particularly attracted the attention of Victor Deman, Bon Marche food and restaurant director, at Frankfurt were poultry rolls, meat, soups, cake and frosting mixes, and a variety of seasonings.

Also at Frankfurt, German food importers suggested that special "America Week" promotions would create demand for U.S. products.

New Irish Supermarkets Are Seen As "Valuable Marketing Agents" for U.S. Foods

A 21-store chain of supermarkets—most of which will be completed before the end of 1964—should become "valuable marketing agents" for U.S. foods in Ireland, according to C. S. Stephanides, U.S. Agricultural Attaché at Dublin.

Called a "milestone in Ireland's modern business development," the new $16.8 million Lipton system will establish giant all-service stores at key points in Dublin and major provincial centers. The 10th store opened this month, the others will be built or blueprinted by the end of the year.

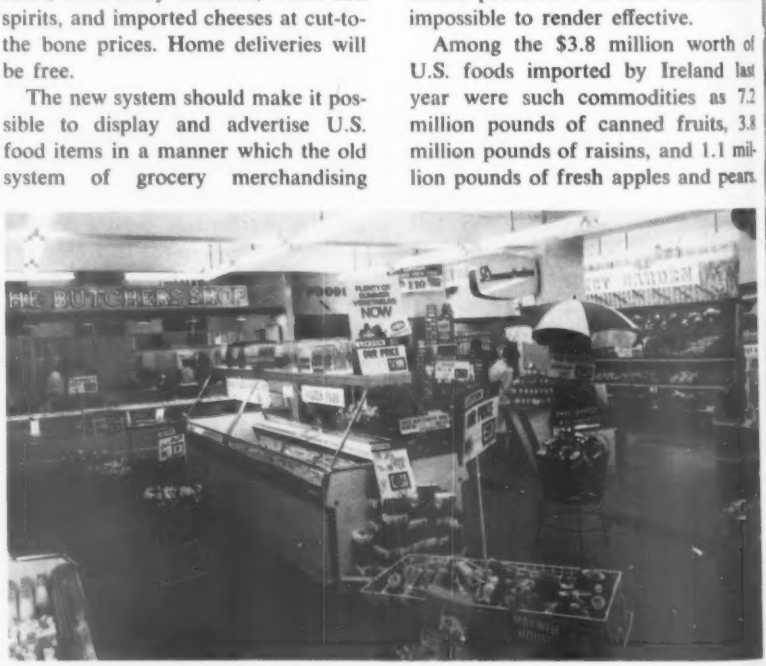
As the new super outlets get into full swing, they will replace many of the 50 smaller Lipton grocery stores which have networked Ireland since the first Lipton's opened in 1890.

The supermarkets will be large stores offering all the services of a "street of shops" under one roof. Those in Dublin and Cork will each cover 5,000 square feet of sales floor, the others to be somewhat smaller.

The stores will sell meats, conventional groceries, hardware, toilet articles, oven-ready chickens, wines and spirits, and imported cheeses at cut-to-the bone prices. Home deliveries will be free.

The new system should make it possible to display and advertise U.S. food items in a manner which the old system of grocery merchandising makes prohibitive in cost and almost impossible to render effective.

Among the $3.8 million worth of U.S. foods imported by Ireland last year were such commodities as 7.2 million pounds of canned fruits, 3.8 million pounds of raisins, and 1.1 million pounds of fresh apples and pears.



Lipton's Blackrock, Ireland, supermarket opened in March, has typical "street of shops" plan used in the 21 big new supermarkets to network the country.

U.S. Rice Exports to South Africa Set Another Record

For the second straight year, exports of U.S. rice to South Africa have hit record proportions; at 56,900 metric tons, 1963-64 shipments handily topped the previous record of 48,700 metric tons set in 1962-63. South Africa is now the United States' No. 2 world dollar rice market.

Much of the credit for this achievement goes to a vigorous market development program—launched 2 years ago by the U.S. rice industry and FAS—which has carried to trade and consumer alike the advantages of quality, easy-to-cook, long staple U.S. rice.

With its present 90-percent share of the South African rice market, the U.S. rice industry believes the direction for future promotion lies in broadening the base of the program by including Africans in consumer advertising, and by selling to the South African institutional trade, where the sales potential looks very promising.

Okinawan Wheat Team in U.S.

A five-man wheat team from Okinawa has just completed a month-long trip through U.S. wheat producing areas at the invitation of Wheat Associates and FAS. The United States in 1963-64 supplied most of Okinawa's dollar market for wheat and wheat flour—†6,600 metric tons out of total imports of 19,100 tons.

Made up of two millers and three bakers, the group was drawn from the Diet Improvement Association, WA's third-party cooperator in Okinawa, which next month will launch a campaign to promote wheat food sales.

Poultry Trademarks Important

U.S. exporters of poultry breeding stock are being advised to register their company trademarks, on company or brand names in Japan before shipping there, says the U.S. Agricultural Attaché in Tokyo.

Recently, licensed Japanese franchise dealers for a U.S. poultry breeder were told they could no longer sell chicks under the company's name because it was now under Japanese registration after an unauthorized Japanese agent had obtained a Japanese trademark to collect sales royalties.

U.S. Groups Stress Nutrition At Colombian Hog Conference

Swine nutrition was a major conference theme at Colombia's recent Second National Swine Congress, Cali, where the country's leading swine producers—shown here inspecting grain-fed hogs at a modern swine farm—supplemented lectures and seminars with practical field trips to key points within area.

The week-long conference was sponsored by the Cauca Valley Swine Growers Association in cooperation with the U.S. Feed Grains Council, Soybean Council of America, and the Colombian Ministry of Agriculture. The FAS cooperators stressed the value of corn, grain sorghum, and soybean meal in hog rations, particularly during lactation and early growth periods, when sugarcane by-products—used extensively in Colombia—do not provide sufficient nutrition. Other topics were swine husbandry, pathology, and genetics.

Raisin Bread Being Promoted at 1964 Olympic Games in Tokyo

Bread loaves made with U.S. wheat and raisins—along with a variety of other U.S. foods—are being served to more than 8,500 athletes and officials staying at the Olympic Village, September 15 through November 4. At a recent food show in Tokyo promoting the bread, above, were (l-r) Robert Fondahn of Wheat Associates, USA; Miss Mitsuko Takeda, the official hostess for the 1964 Olympic Games; and Tatsuo Suzuki, editor of the Japan Bread Journal.

EEC Fixes Second Import Quota For Frozen Beef

The EEC Council of Ministers has fixed the second, or variable, tariff quota for frozen beef from third countries at 33,000 metric tons, bone-in weight. The open period for this quota is November 1 to December 31, 1964; imports under it will be subject to a duty of 12 percent ad valorem.

The quota is allocated as follows: Belgium 6,000 tons, West Germany 3,000; France 2,000; Italy 17,000; and the Netherlands 5,000.

The first frozen beef quota is fixed; 22,000 metric tons may enter the EEC each year, at a 20 percent import duty. The variable quota is to be determined each year on the basis of supply and demand conditions.

The EEC Council has permitted Italy to continue duty suspensions on calves, feeder cattle, and frozen beef until November 1, 1964.

European Output of Beef Down, Pork Unchanged

Beef and veal production in eight countries of Western Europe during the first half of 1964 was down 6 percent from the same period a year earlier.

Production in France was off by 3 percent, West Germany 3, the United Kingdom 2, Sweden 5, Belgium-Luxembourg 10, Austria 4, the Netherlands and Denmark each 21. Apparently production was down also in most of the other countries for which up-to-date figures are not available. Indications are that production in all countries of Western Europe in the first half of the year was 200 to 450 million pounds below a year earlier. Beef and veal production during all of 1963 totaled 13.5 billion pounds.

Pork production in the eight countries was slightly lower than in the same period a year earlier. Declines of 8 percent in France, and 19 percent in Belgium-Luxembourg were almost completely offset by increases of about 4 percent each in the United Kingdom, Ireland, Denmark, and Austria. There was little change in production in the Netherlands, Sweden, and West Germany. Production in all of Western Europe in 1963 totaled 14.4 billion pounds.

Argentina Sets Beef Export Quotas

The Argentine Meat Board is setting quotas for exports of both chilled and frozen beef, taking into account the limited supplies and the needs of the domestic market.

Quotas on chilled beef are being distributed on a global basis among the individual packing houses; later they may be established for separate countries. The Meat Board is receiving applications from exporters of frozen beef and will grant authorizations for shipment until global quotas are filled. Exporters are required to post guarantees amounting to 5 percent of the f.o.b. value of the proposed shipments. The guarantee deposits will be released within 60 days of shipment when proof of the successful completion of the export sale is given. The Meat Board is also empowered to establish minimum prices on export sales.

India May Have Another Bumper Rice Crop

On the basis of information available in late September, India's 1964-65 rice crop is expected to be as large as, or perhaps exceed, the record production of 54,790,000 metric tons of rough rice in 1963-64. Most of the crop will be harvested next December and January.

Growing conditions were generally favorable, with normal or above-normal rainfall in most rice areas, except eastern Uttar Pradesh, where it was deficient. Increased yields in some states were expected to offset flood losses on a total of 3.5 million acres in several states.

Despite the production of a bumper crop in 1963-64, January-July 1964 imports of the increase to 454,300 metric tons of milled rice from 372,000 tons in the first 7 months of 1963. Of this total, 283,900 tons—or 62 percent—came from the United States under Title I of Public Law 480, 141,600 from Burma, and 28,800 from Egypt.

Spain Has Smaller Pulse Crops

The 1964 pulse crops in Spain are down 14.2 percent from the 1963 level, owing to spring drought, which reduced plantings, and to hot weather in the growing season, which cut yields. Bean production is down 8.6 percent, peas 4.6 percent, and lentils 35.5 percent.

SPANISH PRODUCTION OF PULSES

Pulses	1962	1963	1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*[1]
Dry beans	125.9	142.2	130.0
Chickpeas	135.0	141.3	125.7
Lentils	33.5	33.5	21.6
Dry peas	25.0	26.5	25.3
Broad beans	144.4	137.5	110.1
Total	463.8	481.0	412.7

[1] Forecast by U.S. agricultural attaché's office.

In the last 12 years Spain has changed from a net importer of beans to virtual self-sufficiency and back again to a net importer. Until 1951, it imported approximately 22,000 tons of beans per year, only to change in succeeding years (from 1952 to 1957)to importing only 200 to 300 tons—an amount about equal to exports. Large-scale imports were resumed in 1959 and have risen from that year's 6,475 tons to 12,928 in 1963.

It was not until 1962-63 that the United States began making large commercial exports of beans to Spain. Data on these, by class, are given below.

	1962-63	1963-64[1]
	Metric tons	*Metric tons*
Navy	1,632	4,342
Great Northern	677	3,481
Small red	—	16
Other white	97	342
Red kidney	32	15
Pintos	185	115
Other colored	220	273
Seed	15	2
Total	2,858	8,586

[1] 11 months.

Israeli Cotton Production Higher in 1964-65

Cotton production in Israel has increased steadily since the first commercial crop in 1954-55 (August-July). The 1964-65 crop, now being harvested, is estimated at about 65,000 bales (480 lb. net) from 35,000 acres, slightly above that in 1963-64 of 62,000 bales from 32,000 acres. Current

per-acre yields in Israel, at 890 pounds per acre, are among the highest national averages in the world. Most cotton grown in Israel is of Upland Type, although about 3 percent of the planted area in 1963-64 was devoted to Pima, or extra long staple cotton. All of the cotton is irrigated.

Israeli cotton farmers receive subsidies amounting to about 11.70 U.S. cents per pound. The support price level for SM 1-1/16 inch cotton in 1963-64 was 40.41 cents, although very little cotton was that high in quality. The average price received by farmers for the 1963-64 crop was 38.32 U.S. cents per pound.

Cotton consumption in Israel reached a record 100,000 bales during the 1963-64 season—up 18 percent from the 85,000 bales used in 1962-63. The widening gap between cotton production and mill requirements has necessitated a marked increase in raw cotton imports. Imports, at 47,000 bales, during 1963-64 were 62 precent over the previous year's 29,000. The U.S. share of Israel's cotton imports was 46 percent in 1962-63 and 54 percent in 1963-64.

Raw cotton exports in 1963-64 amounted to 10,000 bales, compared with 15,000 in 1962-63 and 18,000 in 1961-62. Most of the exported cotton is low grade, not suited to domestic mill use. Pressure is mounting to increase exports of manufactured cotton cloth rather than in the traditional form of yarn.

Stocks on hand on August 1 of the current season were 21,000 bales.

Portuguese Cotton Imports Lower in 1963-64

Portugal imported 320,000 bales of cotton (480 lb. net) during the 1963-64 season, 10 percent below the 355,000 bales imported in 1962-63.

The Portuguese overseas provinces of Mozambique and Angola supplied 149,000 bales, or 47 percent of total imports, compared with 211,000 bales, or 59 percent of the total, in 1962-63. Most of the remaining imports came from Turkey (78,000 bales), the United States (30,000), Greece (23,000), and Nicaragua (14,000). Total imports into Portugal in 1964-65 may equal the estimated consumption figure of 340,000 bales.

Consumption during the 1963-64 season just ended is estimated at a record 333,000 bales, slightly above the quantity imported. As a result, the relatively large beginning stock figure of 70,000 bales was pulled down to about 55,000 by July 31 of this year. Most of the estimated 160,000 bales Mozambique produced in 1963-64 (harvested from May to July of 1964) will be exported to Portugal during the 1964-65 season.

U.K. Imports of Dry Milk Up Sharply

U.K. imports of nonfat dry milk solids in January-June 1964, were almost double those of the first half of 1963. A sharp decline in domestic production, from 72 million pounds to 38 million, contributed to this increase in imports.

Principal suppliers were New Zealand, accounting for 34 million pounds; France, 13 million; West Germany, 9 million; Ireland, 5 million; Sweden, 4 million; the Netherlands and Finland, approximately 3 million each.

The decreased production greatly affected exports, which dropped to 4 million pounds from 22 million in the first 6 months of 1963. Most of the decline was in shipments to European countries. There were no sales of nonfat dry milk to Switzerland, which a year ago took 9 million pounds; to Italy, more than 3 million last year; or to Belgium, 2 million. Sales to the Netherlands were negligible as compared with 4 million pounds in 1963.

Imports of dry whole milk, at 25 million pounds, were practically the same as those of January-June 1963. They were supplied mostly by Austria, 9 million pounds; Ireland, 5 million; New Zealand, 4 million; Australia, 2 million; and the Netherlands, 1 million.

Exports of dry whole milk were down 11 percent to 8 million pounds. Sharply reduced sales to Spain—from 2 million pounds to 450,000 pounds—accounted for most of this decline.

Australia's Butter and Cheese Exports Smaller

Australia exported 79 million pounds of butter to all markets in the first 6 months of 1964—15 percent less than in the same period of 1963. The United Kingdom continued as the most important outlet, but sales to that country, still under import quotas, were down to 65 million pounds from 79 million a year earlier. Shipments to several other markets—including Singapore, Hong Kong, Ceylon, Malaysia, and Peru—were significantly higher in this period.

Exports of cheese declined 13 percent to 31 million pounds. Of this quantity, approximately 15 million pounds went to the United Kingdom, against 19 million a year ago. Overall sales to continental Western Europe were up 30 percent to 4 million pounds. There was a slight expansion in trade with Saudi Arabia, Ceylon, Hong Kong, Burma, and India. Shipments to Japan, at 4 million pounds, were approximately the same as in January-June 1963. Exports to the United States dropped a sharp 63 percent to 2 million pounds. Most of the reduction was in exports of Cheddar cheese.

Rhodesias-Malawi Export Less Tobacco

Exports of unmanufactured tobacco from the Rhodesias and Malawi (formerly Nyasaland) totaled 78.2 million pounds in January-June 1964, compared with 86.2 million in the first half of 1963. A drop of nearly 10 million pounds in purchases by the United Kingdom this year offset increased takings by West Germany, the Netherlands, Australia, Belgium, the United States, and Japan.

As usual, most of the exports consisted of flue-cured tobacco grown in Southern Rhodesia, with the remainder largely fire-cured of Malawi origin.

EXPORTS OF UNMANUFACTURED TOBACCO BY THE RHODESIAS AND MALAWI

Destination	January-June 1963	January-June 1964
	1,000 pounds	*1,000 pounds*
United Kingdom	46,133	36,870
Germany, West	10,937	13,774
Netherlands	3,722	4,042
Australia	2,011	2,276
Malaysia	3,386	2,131
Hong Kong	3,790	1,906
France	2,356	1,272
Belgium	767	1,184
United States	430	1,066
Japan	123	1,047
Sierra Leone	651	785
Others	11,884	11,802
Total	86,190	78,155

Tobacco Intelligence, London.

India Increases Its Exports of Flue-cured Tobacco

India's exports of flue-cured tobacco during the first 5 months of 1964 totaled 45.7 million pounds—up 15 percent from the 39.8 million shipped out in January-May 1963.

The principal markets in 1964 (1963 figures in parentheses) included the United Kingdom, 21.3 million pounds (22.7 million); the Soviet Union, 20.5 million (5.7 million); and Japan, 1.3 million (0).

INDIA'S EXPORT OF FLUE-CURED TOBACCO

Destinaiton	January-May	
	1963	1964
	1,000 pounds	*1,000 pounds*
United Kingdom	22,679	21,262
Soviet Union	5,688	20,455
Japan	—	1,251
Netherlands	325	699
Malaysia	1,470	563
Yugoslavia	4,667	389
France	2,213	—
Others	2,750	1,130
Total	39,792	45,749

Tobacco Intelligence, London.

U.K. Imports of Tobacco Products Rise

The United Kingdom imported 529,500 pounds of cigarettes in January-June 1964, compared with 410,800 in the similar period of 1963. Most of the gain was in purchases of U.S. cigarettes which rose to 367,700 pounds from 257,700 in the first half of 1963.

About 246,000 pounds of cigars were imported into the United Kingdom in January-June 1964, compared with 185,200 last year. Most of the increases were in purchases from the Netherlands, Jamaica, and Cuba.

Rhodesian Flue-cured Auctions

Prices of Rhodesian flue-cured tobacco on the Salisbury auction market averaged the equivalent of 24.6 cents for the 29th week of sales. Sales through the 29th week, ended September 24, 1964, totaled 288 million pounds, at an average of 31.5 cents. About 25 to 30 million pounds remained to be sold.

Portuguese Olive Oil Situation and Outlook

Portugal's 1964-65 olive oil outturn is unofficially forecast at about 47,000 metric tons, or 48 percent below the revised 1963-64 estimate of 91,000 tons. The indicated outturn will be the smallest since 1950 and two-fifths below the 4-year average for the 1954/55-1957/58 period. The forecast decline reflects reduced yields from a cyclic off-year as well as adverse weather. The final estimtae will, of course, depend on the oil extraction rate, which varies with the quality of the olives.

Annual domestic consumption of edible oil, largely olive and peanut oils, is about 100,000 metric tons. Imports in the January-July period of 1964 (with comparable 1963 figures in parentheses) included 38,192 metric tons (79,753) of peanuts, 6,470 (12,912) of copra, and 1,717 (2,246) of peanut oil. Normal consumption requirements will be provided for by further imports of peanut oil and possibly olive oil; these reportedly already have been contracted for.

Exports of olive oil during the January-July period of 1964 totaled 3,736 metric tons against 3,699 in the same period of 1963. Data on olive oil imports are not available, but according to the Olive Oil Board some purchases already have been made from Spain.

It is reported that the Portuguese government is considering the enactment of legislation to permit edible use of some vegetable oils other than olive, peanut, and corn oils. Thus, additional imports of these other vegetable oils and/or oil-bearing materials could relieve oil shortages which this year are aggravated by prospects of a very small olive crop.

India's Rapeseed and Mustardseed Output Declines

India's final official estimate places the country's rapeseed and mustardseed crop, harvested during January-April 1964, at 1,002,400 tons. This is 30 percent below the revised estimate for 1963 of 1,426,800 tons and 7 percent below the 1955-59 average and reflects the sharp reduction in yields attributed to inadequate rain, severe cold weather in January 1964, and pest damage in some areas.

The decline in production this year was reported chiefly in the Uttar Pradesh, Punjab, and Rajasthan areas with lesser declines in Bihar and West Bengal.

Acreage in 1964 declined by 3 percent. The reduction was mainly in the Utter Pradesh and Punjab areas and was attributed to inadequate rains at seeding time.

INDIA'S ACREAGE, YIELD, AND PRODUCTION OF RAPESEED AND MUSTARDSEED

Year	Acreage	Yield	Production
	1,000 acres	*Pounds per acre*	*1,000 metric tons*
Average 1955-59	6,124.4	354	1,083.3
1960	7,191.0	326	1,172.6
1961	7,094.0	422	1,495.2
1962	7,758.0	380	1,473.9
1963	7,681.0	372	1,426.8
1964	7,424.0	270	1,002.4

Directorate of Economics and Statistics, Ministry of Food and Agriculture.

Mozambique's Exports of Copra

Copra exports from Mozambique during the first 6 months of 1964 totaled 23,298 long tons compared with 23,491 in the same period of 1963.

Tunisia's Olive Oil Exports Increase

Tunisian exports of edible olive oil during the November 1-August 15 period of the 1963-64 marketing year totaled 31,823 metric tons. Exports in the same periods of 1962-63 and 1961-62 were 20,601 and 41,987 tons respectively (*Foreign Agriculture*, Feb. 17, 1964).

Major export markets have been France 18,490 tons, Italy 3,772, Libya 3,553, Czechoslovakia 2,050, and the USSR 1,000. Total exports for the marketing year are expected to exceed 40,000 tons.

The outlook for exports in 1964-65 is also favorable, owing to the probability of a bumper harvest late this year plus the possibility of off-year outturns in Spain and Italy.

Peruvian Fishmeal Production and Exports

Peruvian fishmeal production during the first 7 months of 1964 totaled 954,000 metric tons, an increase of 213,000 from the 741,000 tons produced in the 1963 period. Production in February 1963 was hampered by a fishermen's strike. Currently, output is at its seasonal low.

Exports of fishmeal increased 188,000 tons to 912,000 in January-July 1964 from 724,000 in January-July 1963.

PERU'S PRODUCTION AND EXPORTS OF FISHMEAL

Month	Production			Exports		
	1962	1963	1964	1962	1963	1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
January	79	146	196	125	147	102
February	77	46	125	86	104	101
March	83	122	175	84	104	186
April	100	129	159	70	96	142
May	122	160	123	98	78	133
June	84	99	92	97	85	106
July	66	39	84	95	110	142
August	52	38	---	89	83	---
September	64	48	---	56	73	---
October	92	77	---	63	83	---
November	146	116	---	94	91	---
December	156	139	---	107	105	---
Total, Jan.-Dec.	1,121	1,159	---	1,066	1,160	---

Totals computed from unrounded numbers.

Indonesia's Exports of Copra and Palm Products

Registered exports of copra from Indonesia during January-May totaled 68,028 long tons, compared with 47,824 shipped in the same period of 1963.

During the first 5 months of 1964, registered exports of palm oil totaled 44,406 short tons as against 45,400 in January-May 1963. Shipments of palm kernels rose to 20,117 tons from 14,694.

Sierra Leone's Palm Kernel Exports Increase

Exports of palm kernels from Sierra Leone during the first 6 months of 1964 totaled 29,100 long tons compared with 25,500 in January-July 1963—an increase of 3,600 tons or 14 percent.

Production of Coffee in Kenya

Kenya's coffee production in 1964-65 is estimated at 800,000 bags as compared with 760,000 in 1963-64.

Production, which has grown rapidly in recent years, would have been much higher in 1964-65 had it not been for damage to the crop by the fungus, *colletotrichum coffeanum*, commonly called "Coffee Berry Disease." Kenyan coffee growers have become increasingly concerned over the spread of this fungus, which attacks all stages of the crops, from the flower buds to the fully ripe berries; losses are often very high.

Fifty-One Nations in World Coffee Pact

On September 9, Ghana deposited its instrument of accession to the International Coffee Agreement of 1962 with the United Nations to become the 51st member of the Agreement.

As of September 10, 1964, there were 32 exporting members (which had accounted for 94.2 percent of world exports during the base year 1961). Exporting members one as follows: Brazil, Burundi, Cameroon, Central African Republic, Colombia, Congo (Brazzaville), Congo (Leopoldville), Costa Rica, Cuba, Dahomey, the Dominican Republic, Ecuador, El Salvador, Gabon, Ghana, Guatemala, India, Indonesia, Ivory Coast, Madagascar, Mexico, Nicaragua, Nigeria, Panama, Peru, Portugal (Angola), Rwanda, Togo, Trinidad and Tobago, Uganda, United Republic of Tanganyika, and Zanzibar and Venezuela. Five other exporting countries—Bolivia, Ethiopia, Haiti, Honduras, and Sierra Leone—have given notifications of their intent to join but have not yet ratified or acceded to the Agreement.

Importing members of the Agreement, as of September 10, numbered 19 (accounting for 90.4 percent of 1961 world imports). These members are Argentina, Australia, Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Tunisia, the United Kingdom, the United States, and the Union of Soviet Socialist Republics.

Coffee Freight Rate to U.S. Decreased

The Brazil/United States-Canada Freight Conference has approved a rate reduction of 25 cents per bag (of 132.3 lb.) on green coffee moving from all Brazilian ports to U.S. Atlantic and Gulf ports and Canada, effective October 1.

This brings charges to $2.75 per bag and partly offsets a 50-percent increase in the rate made earlier in the year.

Yugoslavia's Honey Production Is Rising

The 1964 honey production in Yugoslavia may amount to as much as 9.5 million pounds. This would be more than 10 percent larger than 1963 production, and reflects the recent upward trend.

The total number of beehives in Yugoslavia in 1964 has been officially estimated at 772,000, a 3-percent increase over 1963. Exports in 1963 amounted to 1,577,391 pounds, the principal buyers being West Germany, East Germany, and Switzerland.

Greek Dried Fig Production Down Slightly

Greece's 1964 pack of dried figs is estimated at 30,500 short tons—down 1,000 tons from 1963 but still slightly above the 1958-62 average of 29,300. The crop is reported to have matured somewhat later than normal, and insect and disease damage is reportedly light.

Large Yugoslav Prune Pack This Year

Yugoslav production of dried prunes in 1964 continued its upward trend of recent years, reaching 33,000 short tons, or 9,100 more than the 1963 pack, now estimated at 23,900. The 1964 estimate is also nearly 4,000 tons larger than the 5-year average for 1958-62 of 29,200 tons and 38 percent above the 1953-57 average of 21,200.

Increased plantings are responsible for the expanding production. The number of bearing prune and plum trees was reported at 64.2 milion in 1969, 14 percent above the 1957-61 average of 56.4 million.

Although there has been a big increase in the number of trees in the "socialist sector" (state farms and cooperatives), this sector still accounts for only a minor proportion of Yugoslavia's prune and plum trees.

According to official Yugoslav statistics, the socialist sector in 1962 accounted for 2.4 percent, or 1.9 million, of the country's 79.4 million prune and plum trees, of which only 1.0 percent, 0.6 million, were of bearing age.

By contrast, in 1962, 77.5 million trees were in the "private sector," of which 16.1 million were nonbearing and 61.4 million bearing. This also indicates that the private sector has accounted for by far the largest share of the increase in tree numbers.

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The 1964 production of fresh prunes and plums is estimated at 880,000 short tons as against 855,000 in 1963 and 963,000 in 1962.

Processing capacity has also been expanded. For the 1964 crop, 520 modern dehydrators are expected to be in operation, compared with 497 for the 1963 season.

Though the capacity of modern dehydrators was theoretically about 33,000 short tons in 1963, only about 14,500, or approximately 60 percent, of the 1963 crop was dried in the modern instalations. The remaining 40 percent was dried in traditional driers.

The large proportion of the crop was still dried in the less-modern driers because of poor organization and shortage of capable operators in the general agricultural cooperatives (which mainly own and operate the new dehydrators) and rather low prices offered by the cooperatives to the growers for their fresh fruit. Reportedly, the cooperatives offered 20 to 25 dinars per kilogram last season and are offering 32 dinars this season. (The official rate of exchange of the Yugoslav dinar is controlled at an arbitrary value of 750 per dollar, but this value is considered too high in international money markets. The real value of the dinar, in terms of U.S. currency, is therefore debatable.)

Yugoslav stocks on October 1, 1964, are estimated at around 3,000 short tons, considerably lower than the beginning stocks in 1963 and 1962 of 12,000 and 16,500 tons, respectively. These heavy stocks were gradually worked off as exports to Eastern European countries.

Complete 1963-64 crop year data are, of course, not yet available. However, in calendar year 1963, the Soviet Union alone took 24,922 short tons of Yugoslav dried prunes. Czechoslovakia and East Germany also took large amounts.

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